

Outlook for U.S. Agricultural Trade in 2008

**Presentation to the
2008 Agricultural Outlook Forum
February 21, 2008**

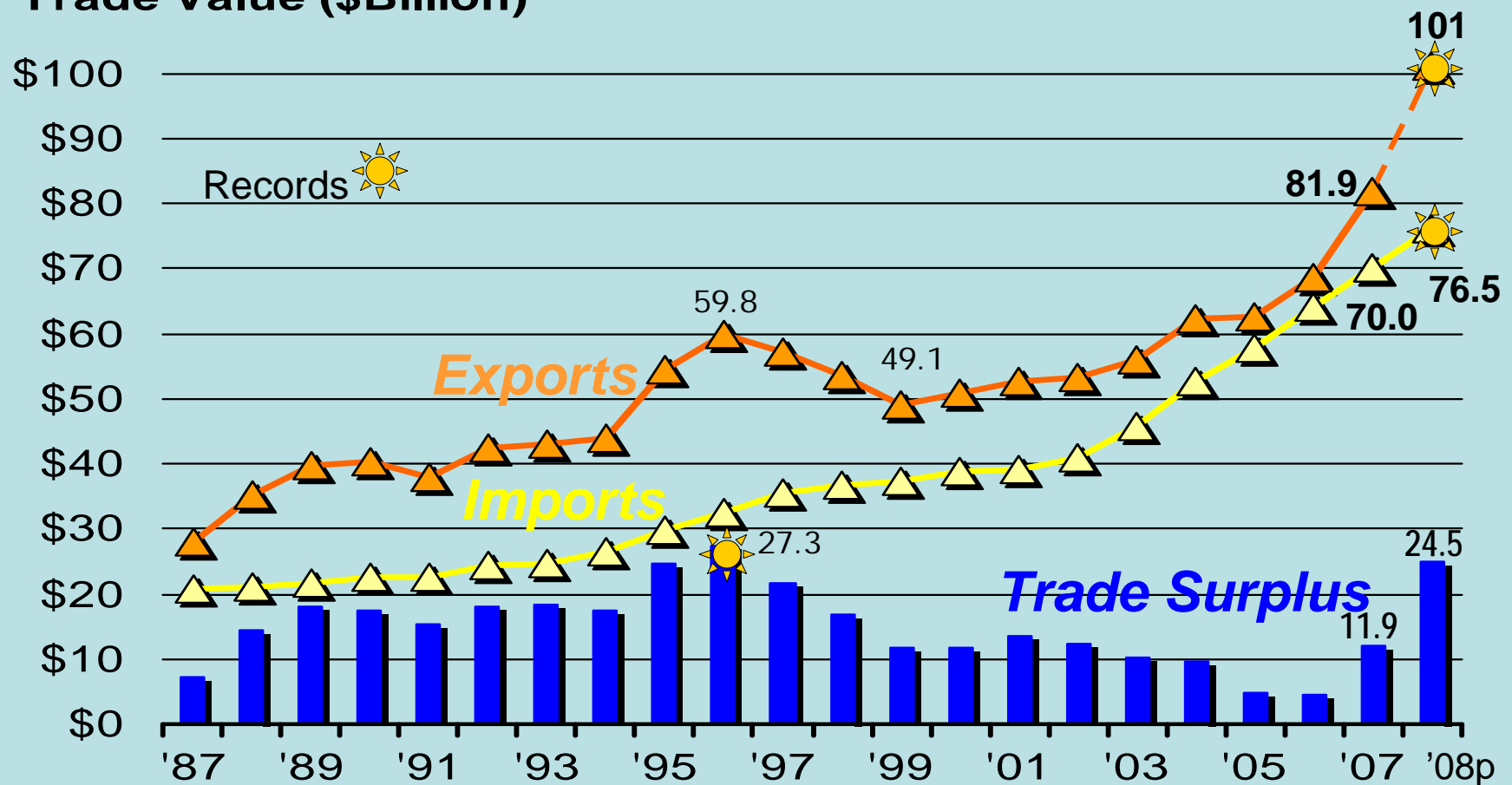
**Mark E. Keenum
Under Secretary
Farm and Foreign Agricultural Services
U.S. Department of Agriculture**



U.S. Agricultural Trade

All major commodity groups to reach record export sales in 2008.
Grain & oilseed prices surge & export volumes rise for nearly every group
except oilseeds in 2008. Import growth continues faster pace.

Trade Value (\$Billion)

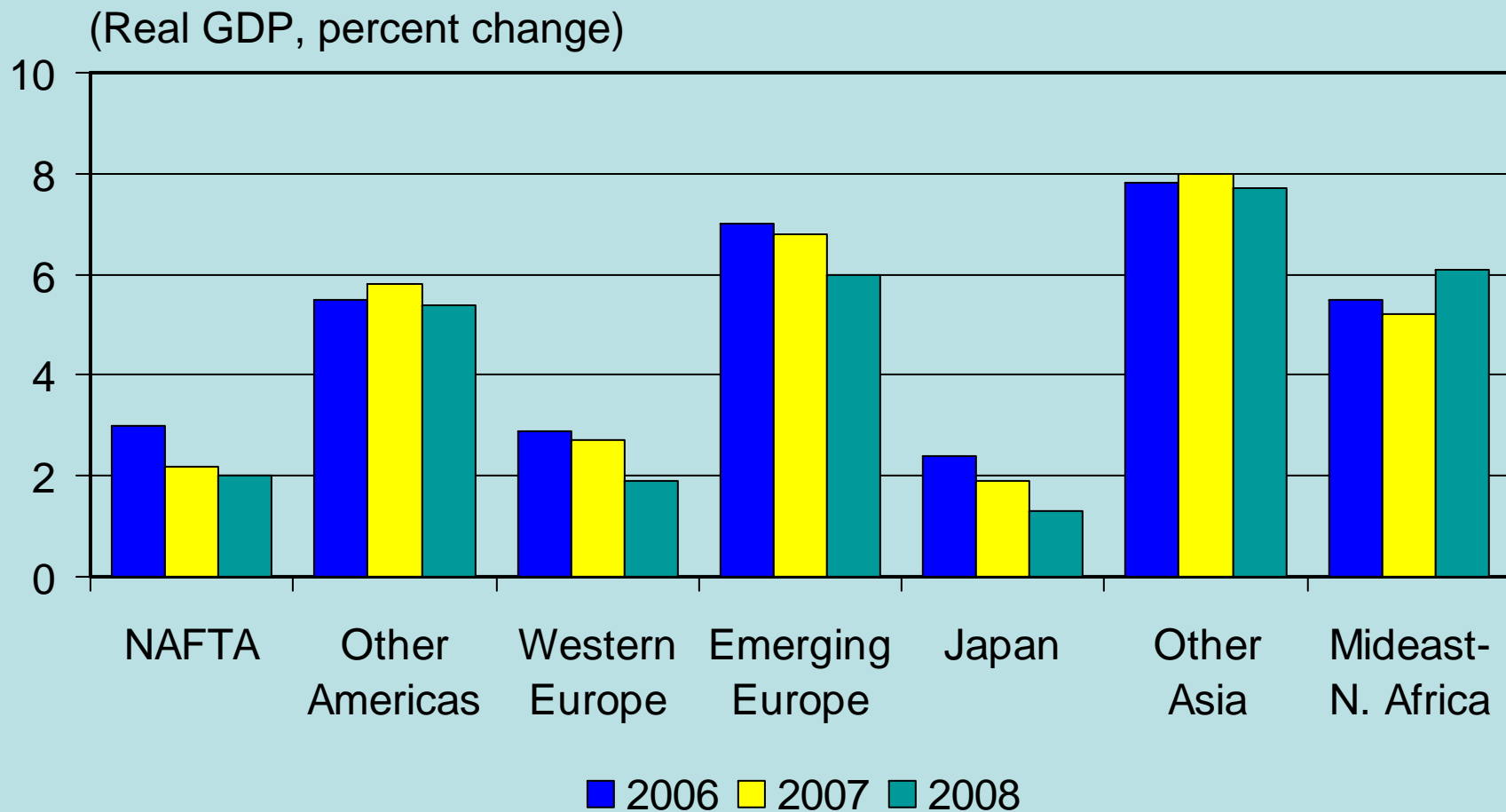


What Factors Are Driving U.S. Agricultural Export Gains...

- **Strong growth in global demand**
- **Value of the U.S. dollar**
- **Renewable energy markets**
- **Reduced foreign competition**
- **Policy moves**

World Economic Growth

By Region



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Top Export Markets

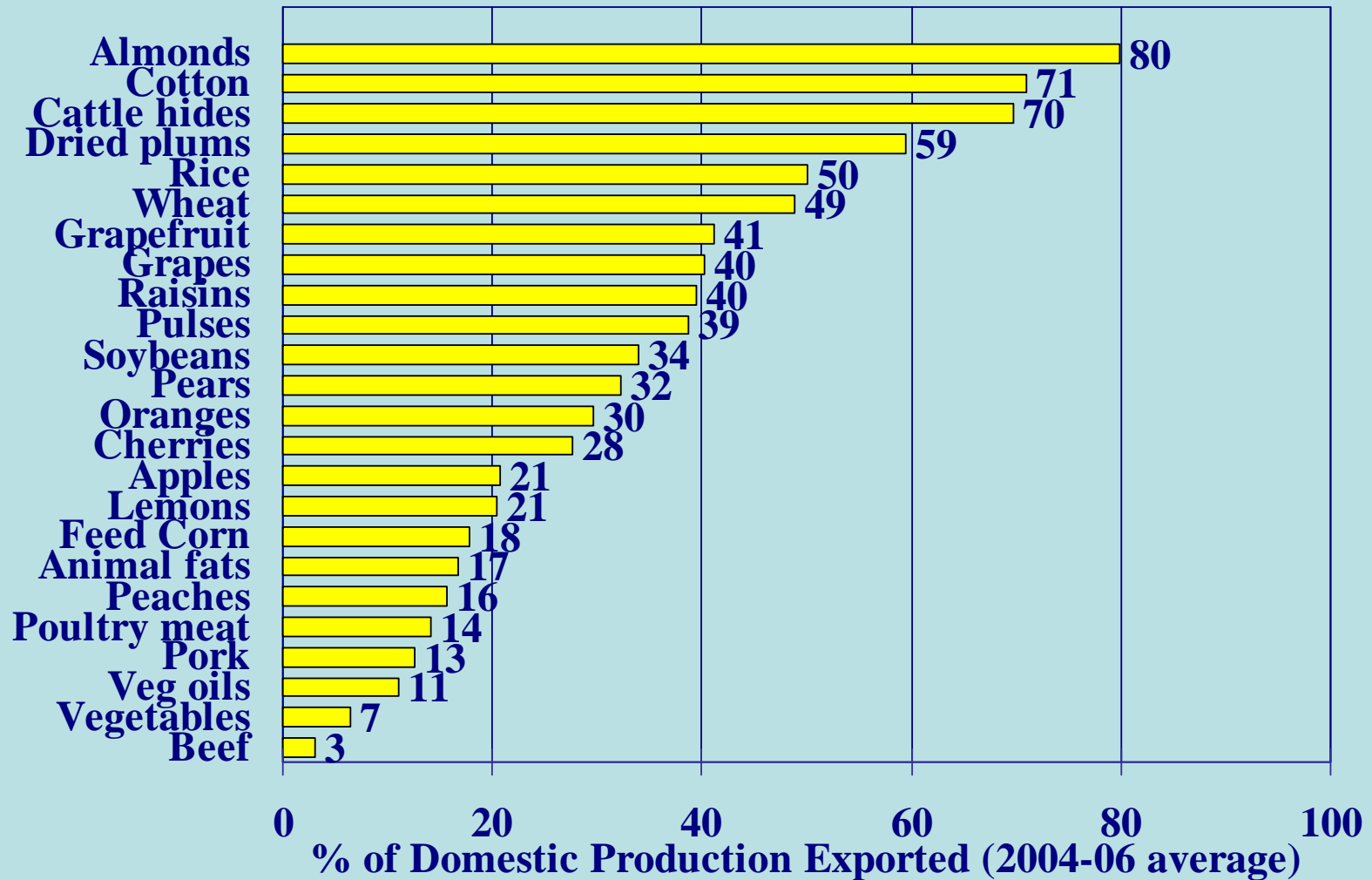
(Values in Billion Dollars)

	1996	2008f	Change
Canada	\$6.0	\$15.7	+ 162%
Mexico	\$5.0	\$14.5	+ 190%
Japan	\$11.9	\$11.0	- 8%
European Union-27	\$9.0	\$9.6	+7%
China	\$1.8	\$8.4	+ 367%
South Korea	\$3.7	\$3.7	0%
Taiwan	\$2.9	\$3.5	+ 21%
Egypt	\$1.4	\$2.2	+ 57%
Indonesia	\$0.9	\$1.8	+ 100%
Turkey	\$0.6	\$1.8	+ 200%
Russia	\$1.2	\$1.8	+ 50%
Colombia	\$0.6	\$1.5	+ 150%

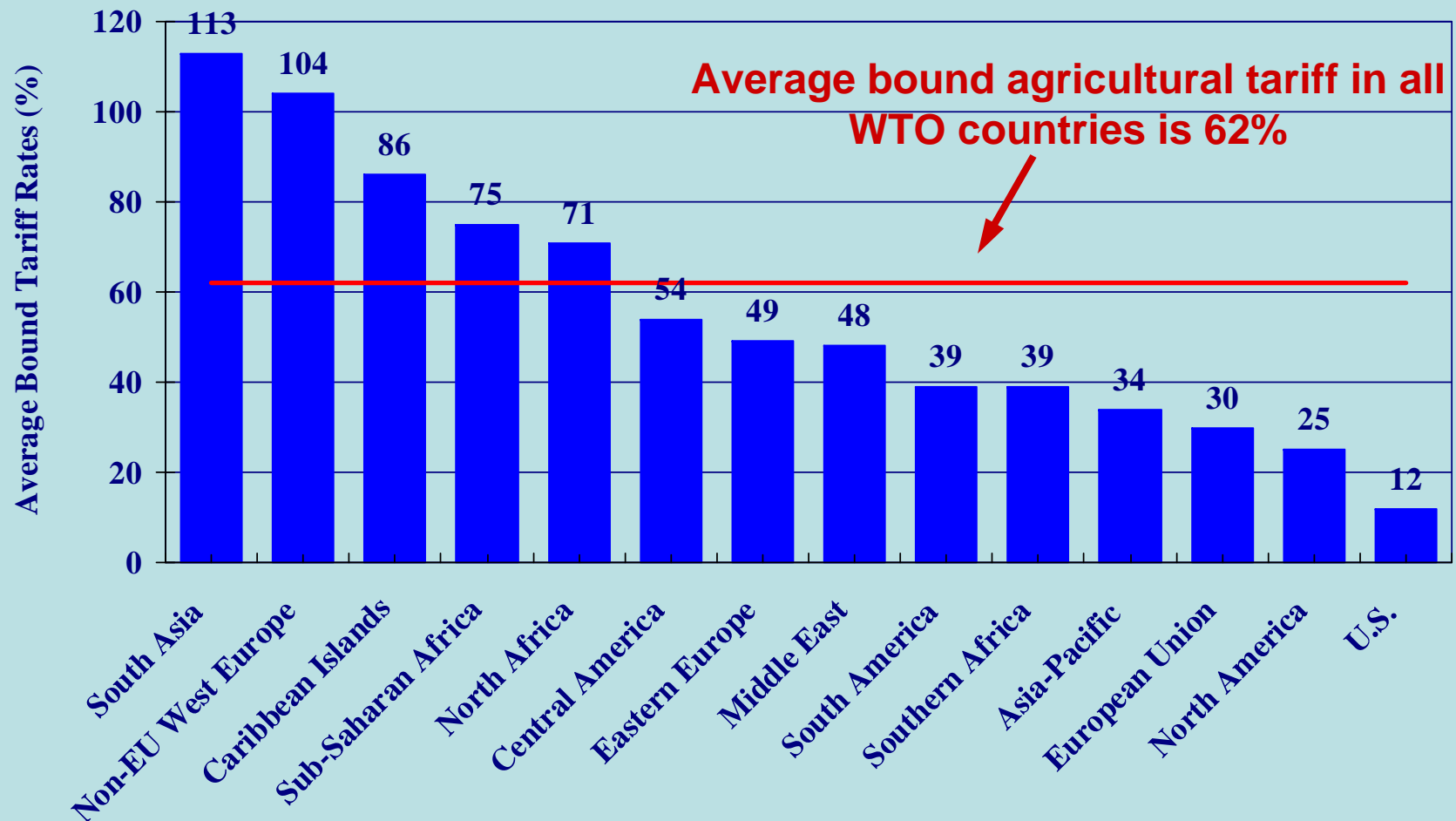
Why Exports Are Important...

- **U.S. agriculture relies on foreign markets**
 - **Portions of most major commodities are shipped overseas**
- **Exports affect farm income and equity**
 - **Export boom is pushing economic indicators to record highs**
- **Exports support jobs and generate business activity**
 - **Positive impacts to metro areas and rural America across the nation**

Exports Contribute Significantly to Cash Receipts



The Trade Agenda: WTO



The WTO Doha Round

■ Three Pillars of Agriculture



- Eliminate export subsidies
- Reduce trade-distorting domestic supports
- Increase market access

U.S. Free Trade Agreements

- ❑ **Australia**
- ❑ **Bahrain**
- ❑ **Chile**
- ❑ **Colombia***
- ❑ **CAFTA-DR**
 - ❑ **Costa Rica[^]**
 - ❑ **Dominican Republic**
 - ❑ **El Salvador**
 - ❑ **Guatemala**
 - ❑ **Honduras**
 - ❑ **Nicaragua**
- ❑ **Israel**
- ❑ **Jordan**
- ❑ **NAFTA**
 - ❑ **Canada**
 - ❑ **Mexico**
- ❑ **Morocco**
- ❑ **Oman[^]**
- ❑ **Panama***
- ❑ **Peru[^]**
- ❑ **Singapore**
- ❑ **South Korea***

***Awaiting Congressional ratification**

[^]Ratified, but pending entry into force

Challenges to Exports

- **WTO Monitoring and Enforcement**
- **International Standard-Setting Bodies**
 - **International Plant Protection Convention**
 - **World Organization for Animal Health (OIE)**
 - **Codex Alimentarius**
- **Trade Capacity Building**

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